THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): Investigation Wing of the Income-tax Department has conducted investigations in the IPO scam of 2005. Survey under section 133A of the Income-tax Act, 1961 were conducted on 23.12.2005 followed by search and seizure action under section 132 of the Act on the main entities involved in the IPO scam. Investigations were also conducted in respect of the financiers and the persons who had received shares from the multiple demat accounts through off-market deals. On 22.02.2006, search and seizure action was also carried out in respect of two persons who were involved in the demat scam.

Utilization of foreign contribution

1557. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that foreign contribution of about 64,000 crore rupees meant for investment in sectors such as power, roads, hospitals, city beautification, etc. is lying unutilized for years and Government are paying commitment charges worth hundreds of crores of rupees of World Bank and other agencies;

(b) if so, what are the reasons for not utilizing foreign contribution; and

(c) what is the policy of Government to utilize entire foreign contribution?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) A total amount of Rs. 58442.31 crore committed as foreign loan assistance was not drawn as on 28th February, 2006. However, utilization of the sanctioned foreign assistance for any project is a continuous process spread spread over its implementation period. As a result, there would be some unutilized amount at any point of time, these amounts will be utilized as the project implementation progresses. Moreover, the project implementation authorities like the Central Line Ministries/Departments, State Governments or the Public Sector Units (PSUs) work under diverse constraints. Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of State and Central Government, streamlining of procurement procedures, disintermediation of the flow of external aid to Central Public Sector Undertakings, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects etc. An amount of Rs. 133.10 crore has been paid as commitment charges till 28th February 2006 in the year 2005-06.